



Bulletin

2006-07B

To: City and Town Clerks
From: Frederick Kingsley, Bureau Chief
Municipal Data Management/Technical Assistance Bureau
Date: May 16, 2006
Subject: Notification of Acceptance, MGL Chapter 32B, §18

In recent years communities have experienced dramatic increases to their employee health insurance costs. One option available to communities is MGL Chapter 32B, §18 which allows the community to save money on retiree health insurance costs. Adopting this section allows a community to shift a significant portion of its retiree health insurance costs to the federal Medicare program.

This can be adopted locally by a majority vote of the city council in a city with a Plan D or Plan E charter, or the council, with the approval of the mayor, in any other city. In towns, acceptance by either a majority vote of town meeting or the electorate is required. Once adopted, Section 18 requires that all eligible retirees enroll in Medicare Part B.

If you would like additional information regarding the benefits of Section 18 of Chapter 32B the Technical Assistance Section has prepared two "Best Practices in Municipal Finance" on the subject. To view these click on the links below:

Saving Money of Retiree Health Insurance –

http://www.dls.state.ma.us/mdmstuf/Technical_Assistance/Best_Practices/retireehealthins.htm

Other Post-employment Benefits –

http://www.dls.state.ma.us/mdmstuf/Technical_Assistance/Best_Practices/opeb.htm

If your community has adopted Chapter 32B, §18, please fill out the attached Notification of Acceptance form and fax it to the Municipal Databank at (617) 626-2330.

(City/Town)

**Notification of Acceptance
General Laws Chapter 32B §18**

The Commissioner of Revenue is hereby notified that the City/Town of _____,
by an act of its legislative body on _____, _____, has accepted the
provisions of General Laws Chapter 32B §18.

(City/Town Clerk)

(Date)

Please submit this form to:

Municipal Databank
PO Box 9569
Boston, MA 02114-9569
(617) 626-2330 (fax)